

# City of Dubuque / Dubuque Firefighters Assn, Local 353

2006-2007

CEO 147  
SECTOR-2

## IN THE MATTER OF FACTFINDING BETWEEN

**CITY OF DUBUQUE**

**PUBLIC EMPLOYER**

**AND**

**DUBUQUE ASSOCIATION OF PROFESSIONAL  
FIREFIGHTERS, LOCAL #353**

**EMPLOYEE ORGANIZATION**

**FACTFINDER'S RECOMMENDATIONS**

**RONALD HOH, FACTFINDER**

### APPEARANCES

For the City of Dubuque:

Randy Peck, Personnel Director

For the Dubuque Association of Professional Firefighters:

Michael Meloy, Attorney

### AUTHORITY

This proceeding arises pursuant to the provisions of Sections 19, 21 and 22 of the Iowa Public Employment Relations Act, Chapter 20, 2007 Code of Iowa (hereinafter Act). The City of Dubuque (hereinafter City) and the Dubuque Association of Professional Firefighters, Local #353 (hereinafter Association) have been unable to agree upon the terms of their collective bargaining agreement for the 2008 fiscal year through their negotiations and mediation. Pursuant to their independently negotiated impasse procedures, they jointly chose the undersigned factfinder to "make written findings of fact and recommendations for the resolution of the dispute" in accordance with Section 21 of the Act.

The hearing was held before the factfinder on March 1, 2007 in Dubuque, Iowa and was completed on that same date. All parties appeared at the hearing and were provided full opportunity to present evidence and argument in support of their respective positions.

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Upon conclusion of the presentation of the evidence, the record was closed and the case was deemed under submission by the factfinder.

## **FINDINGS OF FACT**

### **BACKGROUND**

The City, located along the Mississippi River in far eastern Iowa on the junction of the Illinois and Wisconsin border, is Iowa's sixth largest, with a population at the last census of 57,546 persons. The Association represents approximately eighty-one employees of the City's Fire Department (hereinafter Department), in the classifications and numbers within classification of firefighters (24), fire equipment operators (24), medical officers (12), lieutenants (14) and captains (7).

The parties are currently operating under and governed by a one year collective bargaining agreement (hereinafter contract), which is set to expire by its terms on June 30, 2007. The areas in dispute in this proceeding appear in the contract articles regarding Wages (Article 12), Education Pay (Article 14) and Group Insurance (Article 18).

The City also has formal bargaining relationships with its non-supervisory police officers represented by the Dubuque Police Officers Association, a largely white collar non-supervisory unit represented by the Operating Engineers, a non-supervisory largely blue collar unit represented by the Teamsters, and a non-supervisory transit unit represented by the Amalgamated Transit Union.

The parties agreed in writing prior to the scheduling of this proceeding that they would not be bound by any March 15 statutory impasse completion deadline contained in the Act. They did, however, request the factfinder to issue his Report and Recommendations within the fifteen days from hearing date timeline contained in Section 21 of the Act. They further agreed at the hearing that the City was making no inability to pay contention, and

that the City had the economic resources to fund the proposals of either of the parties here.

Finally in this background area, the parties agreed at the hearing that for purposes of external comparability under Section 22(9)(b) of the Act, the proper group for comparison purposes consisted of fire department wages and benefits for the seven largest cities in Iowa, including Dubuque. Those cities and their populations are set forth below:

CITY	POPULATION
Des Moines	193,187
Cedar Rapids	108,751
Davenport	95,333
Sioux City	80,505
Waterloo	66,467
Dubuque	57,546
Council Bluffs	54,315

#### **STATUTORY CRITERIA**

There are no explicit criteria contained in the Act by which the factfinder is to judge the reasonableness of the parties' proposals when formulating recommendations. It is generally agreed, however, that the Iowa legislature intended that factfinders formulate recommendations based upon the statutory criteria for arbitration awards contained in Section 22(9) of the Act. That Section provides:

The panel of arbitrators shall consider, in addition to other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties, including the bargaining that led up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees doing comparable work, giving consideration to factors peculiar to the area and classification involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the

conduct of its operations.

As set forth hereinbelow, the recommendations of the factfinder are made with due regard to the above statutory criteria.

**IMPASSE AREA #1 - WAGES AND EDUCATION PAY**

This impasse area contains two elements under the statutory scope of bargaining subject area of wages: base wages and education pay.<sup>1</sup> The current contract in the area of wages provides in Article 12 as follows:

The following salary schedules shall represent the regular straight time or base rate of pay for positions covered by this agreement:

Position Classification	Salary Grade	Step A	Step B	Step C	Step D	Step E	Step F
Bi-Weekly Rates - Effective 07/01/2006 through 6/30/2007							
Firefighter	F-01			\$1,525.44	\$1,652.00	\$1,695.68	\$1,794.40
Fire Equipment Operator	F-02			\$1,752.80	\$1,797.60	\$1,843.52	\$1,890.56
Ambulance Medical Officer	F-03			\$1,850.24	\$1,895.04	\$1,940.96	\$1,988.00
Fire Lieutenant	F-04				\$1,895.04	\$1,940.56	\$1,988.00
Fire Captain	F-05				\$1,992.48	\$2,038.40	\$2,085.44

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<sup>1</sup> City of Dubuque and Dubuque Professional Firefighters Association PERB Case No. 7266 (May 18, 2006).

Employees at the lowest step of the wage matrix move one step on the wage schedule six months after placement at that step if evaluated performance is satisfactory, and then move one step every twelve months thereafter if performance is satisfactory, until reaching the top wage step after two and one-half years. Currently, only thirteen of the Department's bargaining unit employees - twelve firefighters and one lieutenant - are not at the top step of their respective job classifications.

In the area of Education Pay, Article 14 of the parties' contract provides as follows:

Section 1

An employee in the classification of Firefighter (appointed on or before December 31, 1996) who is certified in any of the following categories shall receive payment in accordance with the following schedule:

<u>CERTIFICATION LEVEL</u>	<u>PAYMENT</u>
EMT-B	\$20.00 per month [for up to twenty-four [24] consecutive months]
Advanced EMT-1	\$40.00 per month [for up to eighteen [18] consecutive months]
EMT-Paramedic	\$105.00 per month

In the event an employee in the classification of Firefighter (appointed on or before December 31, 1996) fails to renew a certification when due, he/she shall forfeit the additional payment until such time as recertification is obtained. An employee in the classification of Firefighter (appointed on or before December 31, 1996) who fails to obtain certification as an Advanced EMT-1 within twenty-four [24] consecutive months following certification as an EMT-B shall receive fifteen [\$15] dollars per month provide he/she maintains an EMT-B certification. An employee in the classification of Firefighter (appointed on or before December 31, 1996) who fails to obtain certification as an EMT-Paramedic within eighteen [18] consecutive months following certification as an Advanced EMT-1 shall receive thirty [\$30] per month provided he/she maintains an Advanced EMT-1 certification.

Employees in the classification of firefighter who are appointed on or after January 1, 1997, shall receive payment in the amount of \$105 per month for EMT-Paramedic certification.

Payments for Emergency Medical Training certification shall not be cumulative and shall not be included in the regular [straight time or base] rate of pay or in the

calculation of premium payments or fringe benefits. Payment for Emergency Medical Training certifications shall commence at the beginning of the first pay period following receipt of the state certification card.

An employee in the classification of Fire Equipment Operator, Fire Lieutenant or Fire Captain who is certified as an EMT-Paramedic shall receive payment in the amount of thirty (\$30) per month. In the event an employee in the classification of Fire Equipment Operator, Fire Lieutenant or Fire Captain fails to renew the certification when it is due, he/she shall forfeit the additional payment until such time as recertification is obtained.

In the event the City discontinues the ambulance service, the terms of this Section shall become null and void on the date ambulance service is discontinued.

## Section 2

Effective July 1, 2000, employees who possess an Associates Degree in Fire Science from an accredited college or university shall receive payment in the amount of \$105 per month. In order to verify eligibility for this payment, employees must provide a certified transcript from the college or university that awarded the Fire Science degree.

## **POSITIONS OF THE PARTIES**

### THE ASSOCIATION

The Association makes the following proposals in the impasse area of wages:

A. Wage Plan - Article 12

A 3.3% gross wage increase for all ranks at all steps, effective July 1, 2007.

B. Education Pay - Article 14

Delete paragraphs 1 and 2 of Section 1 and substitute the following in lieu of:

An employee who is certified in any of the following categories shall receive payment for certification as follows:

<u>Certification Level</u>	<u>Payment Per Month</u>	<u>Payment Per year</u>
a) EMT-B at all ranks	\$20	\$240
b) EMT-I at all ranks	\$40	\$480
c) EMT-P at all ranks	\$105	\$1260

With regard to the base salary element of that proposal, the Association argues that while the starting salary level of City firefighters, fire equipment operators and medical officers is above the average at that benchmark among comparable employers, that position erodes significantly relative to comparable employees as those employees gain experience in those ranks, to the point where those ranks are \$3,459, \$3,873 and \$1,318, respectively, below the average at the top salary level in the comparability group. It asserts that the well below average starting salaries of the Department lieutenant and captain ranks when compared to such employers experience a similar and worse salary erosion at the top pay levels, where such levels are more than \$6,300 less than the average in that group for those ranks. It claims that this top pay gap will continue to grow even larger with adoption by the factfinder of the City's wage proposal, with such gaps increasing between \$345 and \$677 per year at Department ranks, and with bargaining unit employees dropping one position in rank among comparable employers at those top pay levels at the firefighter, fire equipment operator and captain ranks. It argues that adoption by the factfinder of its proposal will significantly lessen that gap increase at the top pay levels, as well as maintain the Department's relative ranking among comparable employers at each of the existing Department ranks. It contends that particularly given the erosion in top pay levels which has already occurred in relation to comparable employers, bargaining unit employees at minimum should maintain their relative ranking at that top pay level among such employers.

With regard to the emergency medical technician (hereinafter EMT) Certification Pay element of that proposal, the Association points out that an average of 70% of total Department calls since calendar year 1995 have been medically-related calls, and argues that the frequency of such calls shows the propriety of all Department ranks receiving the same level of pay for the performance of such work functions. It contends that this equalization

of EMT pay for all ranks in view of such call volume will properly provide an incentive to all ranks to gain the highest possible level of certification in this area, and thus result in a higher level of services for City residents. It points out that among comparable employers, bargaining unit employees in the fire equipment operator, medical officer and captain ranks who are certified as paramedics receive compensation in this area which is more than \$1650 below the average for those ranks in that group, and the lieutenant classification with paramedic certification is more than \$1000 below average at that rank. It further asserts that the Department is \$1090 and \$974, respectively, below the comparability group average at the EMT-Basic and EMT-Intermediate certification level, even without consideration of the fact that only employees in the firefighter rank with such certifications receive that below average education pay. It further argues that it is inherently inappropriate for an employee promoting from the firefighter to the fire equipment operator classification to lose \$900 per year in pay if certified as a paramedic, since such an employee still performs paramedic functions at that higher rank. It points out that in contrast to most jobs where knowledge and experience are recognized and rewarded, in this Department in the area of EMT certification pay the more experience you have, the less you are compensated. Finally in this area, it contends the fire equipment operator salary with EMT-Paramedic pay relative position in the comparability group will decrease with adoption by the factfinder of the City's proposals in both of these areas, while adoption of the Association's proposals at that certification level will when combined with the Association's pay proposal result in an improvement in relative comparability group position at the Medical Officer and Lieutenant ranks.

The Association further contends that its combined wage/EMT proposal amounts to a total package economic increase for bargaining unit employees of 4.2% or \$49,930 -



including .9% for the increase in EMT certification pay contained in its proposals - compared to a 2.97% total package cost of the City's economic proposal. It argues that among comparable employers, its 3.3% cost increase wage proposal is closer to but still below the average fiscal year 2008 wage increase in that group of 3.75%, and that the City's 3% wage proposal compares poorly with that comparability group average.

#### THE CITY

The City makes the following proposals in the impasse subject area of wages:

- 1) Effective July 1, 2007 the base wage in effect on June 30, 2007 shall be increased by 3% across-the-board.
- 2) No change to the existing contract language in the area of Education Pay.

In the area of the proposed base wage increase, the City contends that the top step firefighter pay rate over the last thirty years has exceeded the Consumer Price Index (CPI) by \$6,166 per year, and that total compensation for Association-represented City employees has exceeded the CPI-U by more than 11% since 1984. It points out that since 1980, only nine bargaining unit employees have voluntarily quit their City employment (other than by retirement) to accept employment elsewhere, that the average bargaining unit employee length of service is thirteen years, and that such a low turnover rate is another valid indicator of the competitive nature of bargaining unit salaries and benefits. It asserts that bargaining unit employees have the most lucrative longevity schedule of all City employees of up to 7% of base salary after twenty five years of service, that only Des Moines and the City among comparable employers base longevity upon a percentage of the base wage, and that bargaining unit employees enjoy the highest maximum longevity earnings among those employers. It further contends that bargaining unit employees enjoy numerous benefits that are not currently being received by any other City employees. It points out that its wage proposal to the factfinder is identical to the agreed-upon wage level for all other City

bargaining units for fiscal year 2008.

In the area of external comparability, the City contends while it may not compare as favorably to comparable employers at the upper end of the pay scale for its bargaining unit classifications, this shortfall is more than made up by the fact that bargaining unit employees reach the maximum rate of pay for all classifications in only 2.5 years - the shortest length of service requirement for reaching the top pay step of any comparable city. Thus, according to the City, employees enjoy these top pay rates for more than three times longer than the average years of service necessary to reach the maximum pay rate in the comparability group. It further asserts that only the City and Des Moines have at least five bargaining unit classifications, thus providing more opportunities for promotion and additional earnings to bargaining employees that are not available in other cities. It contends that since fiscal year 2000, wages for bargaining unit employees have increased more than for any comparable employer except the much larger in population Des Moines, and that base wages for each bargaining unit classification have increase at least 35.75% since the beginning of that 2000 fiscal year. It claims that the Association's use of average pay rates does not take into consideration, when compared with these employers, this bargaining unit's: 1) increased promotional opportunities; 2) length of time served in each classification throughout the course of employment; or 3) higher starting salary and short time to reach the maximum rate of pay, and thus such average salary rates are not a proper measure of relative bargaining unit pay; and benefits against those of comparable employers. It claims that the bargaining unit relative compensation position among comparable employers after twenty-five years of service has improved at all ranks since fiscal year 1991, as a result of voluntary wage settlements and arbitration awards.

The City further argues that there has existed for more than thirty years a practice of

maintaining identical maximum rates of pay for the ranks of City Police Department Patrol Officer and Firefighter, that the Association has on numerous occasions sought to and re-achieved such parity via voluntary settlements and arbitration awards in circumstances where an arbitration award resulted in higher relative Patrol Officer pay, that all City contracts with the Association between fiscal year 2000 and fiscal year 2005 were voluntarily resolved and included maintenance of such parity, and that such a long bargaining history reflects the propriety of maintaining the identical maximum wage rates for these positions, at the level which is contained in the City's wage proposal. It argues that in view of such bargaining history, interest arbitrators have virtually universally refused to upset that parity relationship despite numerous attempts by the Association to do so via interest arbitration over the years, and those arbitrators have generally found that such a relationship should be maintained absent a compelling reason to alter it. It asserts that the Association has not presented such a compelling reason to deviate from this identical maximum pay level relationship, which the parties have voluntarily maintained whenever possible in the past, in the circumstances at issue here.

In support of its proposal for no change in the contract language or economic remuneration in the area of Education Pay, the City argues that bargaining unit employees receive additional compensation for education, training and certification that is not available to other City employees, despite the fact that numerous other City job classifications obtain such training, education and certification without receiving any additional compensation. It argues that its \$105 per month paramedic certification pay is fourth highest in the comparability group, at a level only slightly below the dollar average in that group. It contends that the classification of Medical Officer was created by the parties twenty years ago, and that the pay rate in effect at all times since fiscal year 1993 already builds into the

salary of that classification the prerequisite added certification as a paramedic. It points out that in fiscal year 2000, the parties agreed to compensate employees who obtain an Associate's Degree in Fire Science at the rate of \$1,260 per year, and that twenty three bargaining unit employees currently receive this additional benefit offered in only three other cities in the comparability group. Finally in this area, it contends that interest arbitrators in this bargaining relationship have refused to grant the Association's virtually identical Education Pay proposal for fiscal years 2006 and 2007, and the Association has presented no compelling reason to vary from those awards for this fiscal 2008 proceeding.

#### DISCUSSION

Initially in this impasse area, the factfinder believes it necessary to comment upon the degree of flexibility allowed to him in making recommendations for settlement in the areas addressed above. While it is true that any interest arbitrator in this contract dispute would be constrained to make an award via selection of one or the other of the parties' proposals in the combined wage and education pay impasse area under the above cited PERB decision, and that the factfinder's recommendation in these areas would be combined as one "final offer" choice in the area of wages for any interest arbitration that may occur in this matter under that decision, that same constraint is not required for the non-binding recommendation of the factfinder here. The factfinding step of the statutory impasse procedure does not involve the "final offers" which are a significant element of the statutory interest arbitration provisions, and for which PERB decisions have addressed the above-cited constraint. In addition, in view of the role of factfinding as providing a non-binding recommendation under the statutory criteria concerning where the parties themselves should reach a voluntary contract agreement, it is not uncommon for factfinders to recommend a level of settlement based upon the statutory criteria which is between the

proposals made by the parties at the factfinding impasse step.

In view of these elements, it is my considered judgment that the factfinder is not required, despite the case decision of PERB impacting these parties at the interest arbitration step, to treat wages and education pay as one combined item for purposes of the recommendations here.

Turning next to the across-the-board wage element of this dispute, the evidence presented by the Association places virtually its entire case upon the statutory external comparability criterion. On its face, that evidence makes a relatively strong case both for erosion of bargaining unit wage levels against those of comparable employers as movement occurs through the wage schedule, and for continued relative dollar amount erosion and sometimes relative rank erosion compared to those in the comparability group, if the City's wage proposal is adopted by the factfinder.

However, at least three problems with those conclusions reveal themselves upon closer examination of the data, all of which relate to total compensation received by bargaining unit employees (as opposed to merely wages), for which this factfinder has repeatedly indicated his preference for comparison purposes in his past Iowa impasse cases. First, bargaining unit employees enjoy the most favorable longevity program among comparable employers, at minimum in the areas of maximum attainable longevity dollar amount and lowest number of years of service to reach that maximum amount. Although standing alone this relatively advantageous longevity program is not enough to offset all of the concerns raised by the Association regarding wage erosions for bargaining unit employees as movement occurs through the salary matrix, it is a significant factor in tending toward neutralizing any competitive wage disadvantage faced by bargaining unit employees.

Of significantly greater impact in this external comparability area is the relatively short

amount of time it takes bargaining unit employees to reach that maximum salary level at each rank, compared to the time involved to reach that level in these comparable cities. Bargaining unit employees reach that top step in each rank after only two and one-half years - the shortest time among comparable employers. Using the eight year mid-range maximum to reach that level in comparable employer Sioux City, the average number of years necessary to reach the maximum salary level among comparable employees (not including the City) is nine years. Bargaining unit employees thus enjoy top step wage rates 3.6 times longer than the average in that group - a highly significant amount of time that produces substantially more years of maximum salary dollars than among comparable employers. Therefore, even if bargaining unit top salaries both trail comparable employers and are eroding in comparison to them, these higher number of years of experience by bargaining unit employees at such maximum salaries at minimum make up a greatly significant portion of any relatively lower levels of maximum salaries for those employees, when viewed against amounts received among comparable employers.

Finally in this external comparability area, and although a lesser factor in opposition to the comparability data provided by the Association than the previous two areas, only the City and Des Moines among comparable employers provide at least five bargaining unit ranks. Such additional number of ranks when related to those of comparable employers do indeed provide more promotion opportunities and additional potential earnings not available in most other comparable cities. Particularly when these added opportunities are combined with the short amount of time bargaining unit employees need to reach the maximum pay step of each rank when viewed against comparable cities, those added promotional opportunities take on increased significance here.

The statute in Section 22(9)(a) also requires the factfinder to consider in making his

recommendation "....past collective bargaining contracts between the parties, including the bargaining that led up to such contracts (hereinafter bargaining history)." In this bargaining relationship, the parties in past voluntary contract settlements since the advent of formal bargaining in Iowa have consistently equated the top step firefighter salary rate with the top step pay rate of the City Police Patrol Officer classification. Even more important for purposes of this statutory criteria, when interest arbitration decisions have altered this pay equity relationship in favor of the Police Patrol Officer, the Association has thereafter repeatedly sought (and been successful) via voluntary agreement or interest arbitration in re-establishing that across bargaining unit pay parity between those classifications. It is apparent in these circumstances, particularly as evidenced by the Association's past attempts to re-establish this pay equity when it did not exist, that the parties joint bargaining history places a great deal of emphasis upon retention of that pay equity.

The factfinder generally rejects the concept that once a wage level is bargained for any of a municipality or county unit, that wage level must be the standard for each subsequent bargaining unit negotiations for that fiscal year. This is so because that internal comparability criterion is not set forth in the statute, and such an element at best is contained within the non-definitive "other relevant factors" language contained in the criteria for interest arbitration awards in Section 22(9). However, what is highly significant here is the parties' joint bargaining history practice of re-establishing the maximum salary pay equity link with the Police Patrol Officer classification when that link was altered via interest arbitration involving the City police bargaining unit. The factfinder simply cannot ignore such clear bargaining history, and this element in these circumstances must be a major factor in the factfinder's wage recommendation here. In my judgment, in view of the evidence relating to all of the statutory criteria discussed above, any variance from that long

bargaining history should occur by the actions of the parties themselves at the bargaining table, and should only be recommended by the factfinder where compelling reasons exist to do so. In this situation, the evidence provided by both parties in the area of wages fails to set forth that compelling reason.

Turning next to the category of EMT Certification Pay, it is initially apparent that the parties bargaining history evidence discussed above does not apply to areas such as EMT Certification Pay. The evidence concerning external comparability does show, however, that EMT Certification Pay received by bargaining unit employees is significantly below average among comparable employers both in level of pay amounts and in employee ranks which received such amounts. Even when the three comparable cities not providing EMT-B pay are included, the average amount provided in the comparability group, not including the City, at the EMT-B level is \$545 per year, and is \$325 at the EMT-I level when the four cities not providing payment at such levels are factored in. In addition, where such payment is made among those comparable employers, each rank completing the involved certification requirement, with the exception of the medical officer rank, receives such payment. At the EMT-P level, every rank at each comparable City receives a full EMT-P payment in comparison to payment at only the firefighter rank in the City, and the firefighter payment amount received in the City is below the average in that group. Bargaining unit employees at higher ranks receive only \$30 per month in EMT-P pay - a significant drop in that benefit from the level they received as firefighters, and those employees trail the average among all comparable employers at those ranks by between \$1,377 and \$2,224 per year. There is simply no justification in that data for providing employees in the fire equipment operator, lieutenant and captain classifications, who have met the certification requirements, with such a reduced level of education pay for these certifications, particularly where as here the



large majority of calls require use of those medically-related skills.

The exception to the propriety of such payment exists, however, in the classification of Medical Officer. The evidence concerning that classification shows that effective in fiscal year 1993, the parties agreed to equate the salary rate for that classification with the salary rate of the lieutenant classification, in order to provide additional compensation for the required paramedic certification to the Medical Officer class. Since employees in that classification have already been compensated for their EMT-Paramedic certifications, it is not appropriate for those employees to again receive compensation for those certifications.

In view of the entire above, the factfinder recommends in the area of wages that the parties agree to the 3% across-the-board wage increase contained in the City's proposal. In the area of EMT Certification Pay, the factfinder recommends the Association's proposal for payment at the requested amounts at all ranks except that of Medical Officer. By the factfinder's calculations, such a recommendation would produce a total package cost of 3.51% ( $3\% \text{ wages} + .51\% \text{ EMT Certification Pay} = 3.51\%$ ) - an amount most consistent with the 3.75% average wage settlement in the comparability group. That recommendation is also consistent in the wage area with internal voluntary settlements reached among other City bargaining units, and maintains the strong bargaining history relationship between the top pay for the firefighter and for the Police Patrol Officer classification. Although the EMT Certification Pay recommendation likely creates a total package amount above the internal comparability average total package settlement, the total cost in the EMT area is still well below the 5% of base pay amount currently received by police officers as an education pay benefit. That recommended benefit in the EMT area still places eligible bargaining unit EMTs with minor exceptions below the average in EMT pay received among employees of comparable employers. Finally, the total package increase cost amount of \$140,249 - an

amount \$22,400 above the proposal of the City - is easily affordable to the City given its relatively strong economic position.

### **RECOMMENDATION**

The factfinder recommends in the impasse area of wages as follows:

#### **WAGES**

A base wage increase effective July 1, 2007 of 3.0% across-the-board.

#### **EMT CERTIFICATION PAY**

Adoption of the Association's proposal set forth on Page 6 herein, except that the "at all ranks" language under "Certification Level" be replaced at the EMT-B, EMT-I and EMT-P levels with the words "....at all ranks except Medical Officer."

### **IMPASSE AREA #2 - GROUP INSURANCE**

The City provides group health, dental and prescription drug insurance coverage on a self-insured basis for Department employees, with group insurance rates set on the basis of three categories: Single, Single Plus 1, and Family coverage. Under Article 18, Section 1 of the contract, effective July 1, 2005 employees pay 10% of the cost of the premium established for the health and prescription drug insurance plan for which the employee is enrolled. Prior to that time, the City absorbed the entirety of any health insurance premiums for bargaining unit employees. During the City's negotiations with the Teamster-represented bargaining unit concerning fiscal year 2006, the interest arbitrator's award for that unit first established the 10% employee health insurance monthly premium contribution. The final offers of both parties here to the interest arbitrator in the subsequently held interest arbitration for that fiscal year included their agreement to that 10% employee premium contribution.

There is currently no dollar cap to the 10% employee monthly health insurance coverage. Bargaining unit employees currently pay an insurance contribution under that

percentage of \$103 per month for Family insurance coverage, \$80 per month for Single Plus 1 coverage, and \$40 per month for Single coverage.

### **POSITIONS OF THE PARTIES**

#### **THE ASSOCIATION**

The Association proposes to add the following sentence to Article 18, Section 1 of the contract:

"In no event shall an employee pay more than \$125 per month for Family Health Insurance, \$100 per month for Single Plus 1 coverage, or \$50 per month for Single coverage."

The Association in support of this proposal points out that, in view of the 0% projected premium cost increase in City health insurance for fiscal year 2008, its proposed caps if adopted leave room for growth in premium amounts before they actually impact employee insurance contributions, and that there is thus no cost to the City for the Association's proposal here. It asserts that within the comparability group, four of the six comparable employers have dollar caps upon employee contribution rates, and that bargaining unit employees have paid the highest dollar amount toward health insurance costs among comparable employers since the 10% employee contribution level was initiated in fiscal year 2006, at a fiscal year 2008 rate of \$1813 per year above the average in that group. It contends that among comparable cities with insurance contribution caps, the highest monthly family insurance cost for the employee is \$40 and the average is \$34, levels well below the caps proposed here for bargaining unit employees. It argues that the taxes bargaining unit members pay on the 2.4% wage increase received in fiscal year 2006, which was intended to offset the cost of the 10% employee health insurance contribution, negate any pre-tax savings that might otherwise result from that health insurance employee contribution. It points out that even with the Association's propose dollar cap, bargaining

unit employees will by a large margin pay the highest out-of-pocket insurance premium cost among all comparable employers. It argues that since the Association has had no vote on the City's Labor-Management Health Care Committee since 2002, its proposal here constitutes the Association's only real input into employee cost for health insurance premiums.

The City proposes no change to the contract language contained in Article 18, Section 1, and thus rejects the Association's employee health insurance contribution dollar cap proposal. In support of the City's proposal, it argues that the Association's proposal is the same as that rejected by prior interest arbitrators concerning this bargaining unit for fiscal years 2006 and 2007, and that nothing has change in this unit to merit a different recommendation from the factfinder here. It points out that all of the other City bargaining units have voluntarily agreed for fiscal 2008 to the current contract language in this area, and that internal comparability thus supports the City's proposal. It claims that the 10% employee monthly contribution toward health insurance has had the desired effect of producing a migration of employees to the lower cost elements of the insurance plans, as well as the lessening of spouses rejecting more costly insurance coverage from other employers due to the absence of any employee cost under the City's plan, and has lead to a 10% decrease in claims between fiscal years 2005 and 2006. It asserts that the Association's external comparability figures do not account for the 2.4% wage increase provided in fiscal 2006 in exchange for the 10% employee health insurance contribution, and that bargaining unit employees are actually ahead of comparable employers in this impasse area when that wage increase amount is factored in.

#### DISCUSSION

The evidence in this area initially points, in marked contrast to the bargaining history evidence discussed above in the impasse area of wages, to the absence of any real bargaining

history in this area. While it is true as the City asserts that both parties agreed in their final offers to the arbitrator for the fiscal year 2006 interest arbitration that bargaining unit employees would for the first time pay a percentage of the monthly insurance premium contribution, the Association has never voluntarily agreed, as evidenced by its final offers to the interest arbitrators for fiscal years 2006 and 2007, to payment of such an employee contribution without a monthly dollar cap. The statutory bargaining history criterion, as it relates to the issue here, is thus supportive of neither of the proposals of the parties.

Although the City again argues that the voluntary settlements for fiscal year 2008 for all other City bargaining units support its proposal here, the factfinder views such an element to be of limited persuasive value in this proceeding. As previously set forth above, such internal comparability is not an expressed statutory criterion for recommendations or awards made by factfinders and interest arbitrators, and is applicable at best only as an otherwise non-delineated "other relevant factor" under Section 22(9). As found above in the impasse area of wages, it is not the fact that the other City bargaining units do not have a particular benefit that significantly impacts the outcome here under the statute; what matters instead is the voluntary settlement bargaining history in this bargaining relationship, that repeatedly resulted in the maintenance of identical top pay levels for firefighters and Police Patrol Officers, that is the pertinent factor in the wage area under the statutory criterion of bargaining history.

When the remaining statutory criteria are examined in conjunction with the evidence in this area, it is immediately apparent that those criteria, where as here the ability to pay or to appropriate necessary funds are not at issue, support the Association's proposal. Four of the six Iowa employers in the agreed-upon comparability group have dollar caps on the employee's monthly health insurance contributions, and such caps produce a significantly

greater benefit to those employees than even the amounts contained here in the Association's proposal. In addition, the data shows that even when the 2.4% wage increase designed to offset the 10% employee health insurance contribution amount is factored in to the non-weighted average salary amount of \$49,665, that amount produced a benefit of \$1,192. That benefit level still leaves bargaining unit employees paying \$177 more than the average annual health insurance dollar cost paid by employees in the comparability group, even without consideration of the less advantageous tax advantage element inuring to the bargaining unit employees of wage dollars versus health insurance dollars.

In addition, inclusion of the dollar cap on employee contributions proposed here by the Association will have no cost impact upon the City for fiscal year 2008. Finally in this area, given the relatively high monthly amounts contained in the dollar caps, particularly in comparison to those in existence among employees of comparable employers, it is unlikely that these amounts will result in a wholesale re-migration of employees or spouses to the City's insurance program, or to the higher cost provisions of that program. Such an element thus retains the advantages to the City which were produced by the initial imposition of the 10% employee premium contribution in fiscal 2006.

#### **RECOMMENDATION**

In the area of Group Health Insurance, the parties should agree to a new second sentence addition to Article 18, Section 1, as follows:

"In no event shall an employee pay more than \$125 per month for Family Health Insurance coverage, \$100 per month for Single Plus 1 coverage, or \$50 per month for Single coverage."

#### **CONCLUSIONS OF LAW**

In accordance Sections 21 and 22 of the Act and the entire above, and for the reasons set forth herein, the factfinder recommends that the parties agree as follows in the impasse

areas before him.

## I. WAGES

### A. Across-the-Board Wage Increase

A base wage increase of 3% across-the-board effective July 1, 2007.

### B. EMT Certification Pay

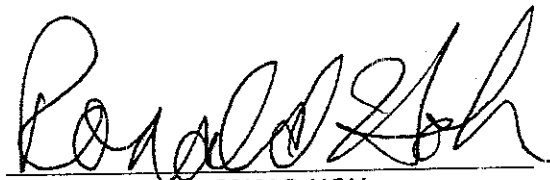
Adoption by the parties of the Association's proposal set forth on Page 6 herein, except that the "at all ranks" language under "Certification Level" in that proposal be replaced at the EMT-B, EMT-I and EMT-P levels with the words "at all ranks except Medical Officer."

## II. GROUP INSURANCE

That the parties agree to a new second sentence addition to Article 18, Section 1, as follows:

"In no event shall an employee pay more than \$125 per month for Family Health insurance coverage, \$100 per month for Single Plus 1 coverage, or \$50 per month for Single coverage."

March 13, 2007

A handwritten signature in black ink, appearing to read "Ronald Hoh", written over a horizontal line.

RONALD HOH  
Factfinder


CERTIFICATE OF SERVICE

I certify that on the 13<sup>th</sup> day of MARCH, 2007 I served the foregoing Report of Fact Finder upon each of the parties to this matter by (        personally delivering) ( X mailing) a copy to them at their respective addresses as shown below:

MR. RANDY PECK,  
PERSONNEL DIRECTOR  
CITY OF DUBUQUE  
50 WEST 13<sup>th</sup> STREET  
DUBUQUE, IA 52001-4864

MR. MICHAEL MELOY, ATTORNEY  
HOODS AND MELOY  
2828 18<sup>th</sup> STREET, SUITE #4  
BETTENDORF, IA 52722

I further certify that on the 14<sup>th</sup> day of MARCH, 2007 I will submit this Report for filing by (        personally delivering) ( X mailing) it to the Iowa Public Employment Relations Board, 510 East 12<sup>th</sup> Street, Suite 1B, Des Moines, IA 50319.

  
\_\_\_\_\_  
RONALD HOH Fact-Finder  
(Print name)